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## **The Hong Kong Building and Loan Agency Limited**

**香港建屋貸款有限公司**

*(incorporated in Hong Kong with limited liability)*

**(Stock Code: 145)**

### **SUPPLEMENTAL AGREEMENT IN RELATION TO THE VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL IN WELDTECH TECHNOLOGY CO. LIMITED INVOLVING THE ISSUE OF CONSIDERATION SHARES, CONVERTIBLE NOTES AND PROMISSORY NOTES**

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange.

Reference is made to the Announcement dated 25 February 2011.

On 21 April 2011, the Purchaser, the Vendor, the Guarantors and the Company entered into the Supplemental Agreement to vary the payment terms of the Cash Consideration.

This announcement is made pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on the Stock Exchange.

Reference is made to the announcement of the Company dated 25 February 2011 (the “**Announcement**”). Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

#### **BACKGROUND**

As set out in the Announcement, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to dispose of the entire issued share capital of Weldtech Technology at the Consideration of HK\$2,800,000,000.

Pursuant to the Sale and Purchase Agreement, the Consideration is payable as follows:

- (i) as to HK\$231,000,000 (the “**Cash Consideration**”) by way of cash payable to SV Technology upon Completion;
- (ii) as to HK\$1,650,000,000 by way of issue of the Convertible Notes to the Vendors upon Completion;
- (iii) as to HK\$319,000,000 by way of issue of the Promissory Notes to the Vendors (other than SV Technology) upon Completion; and
- (iv) as to HK\$600,000,000 by way of allotment and issue of the Consideration Shares at the Issue Price to the Vendors upon Completion.

On 21 April 2011, the Purchaser, the Vendor, the Guarantors and the Company entered into a supplemental agreement (the “**Supplemental Agreement**”) to the Sale and Purchase Agreement to vary the payment terms of the Cash Consideration.

#### **THE SUPPLEMENTAL AGREEMENT**

**Date** : 21 April 2011

#### **Parties**

**Purchaser** : Wise Planner Limited, a wholly-owned subsidiary of the Company

**Vendors** : (i) Carbon Reserve  
(ii) Cross Cone  
(iii) Newmargin  
(iv) Season Best  
(v) Smart Promise  
(vi) SV Technology

**Purchaser’s guarantor** : the Company

**SV Technology’s guarantors** : Mr. Wong Ho Yuen (王豪源) and Mr. Wu Gang (吳剛)

#### **Principal terms of the Supplemental Agreement**

Pursuant to the Supplemental Agreement, the Cash Consideration shall be payable as follows:

- (i) as to HK\$10,000,000 as refundable deposit (the “**Deposit**”) and part payment of the Consideration payable to SV Technology on or before 19 May 2011 in cash by the Purchaser; and
- (ii) the remaining amount of HK\$221,000,000 payable by way of cash payable to SV Technology upon Completion.

SV Technology has undertaken to on-lend the Deposit to Weldtech Technology as operating capital in the form of shareholder's loan, which shall be interest-free and repayable on demand. SV Technology has also undertaken not to demand for repayment of such shareholder's loan before the 30th Business Day after the Completion Date.

In the event Completion does not take place, the Deposit shall be refunded (without interest) to the Purchaser upon written demand.

Save for the amendments as set out in the Supplemental Agreement, the Sale and Purchase Agreement (as supplemented) shall in all respects remain and continue in full force and effect.

## **REASONS FOR THE SUPPLEMENTAL AGREEMENT**

Subsequent to the signing of the Sale and Purchase Agreement, the Directors and the management of the Weldtech Group have been having discussions on the growth potentials of the energy saving business. As mentioned in the Announcement, the Acquisition would allow the Group to diversify into a new line of business with significant growth potential, which the Directors are of the view that the energy saving industry as set out in "The 12th Five-Year Plan" announced by the PRC government in October 2010 is expected to be one of the seven strategic emerging industries to be developed. As such, the Directors believe the signing of the Supplemental Agreement will be beneficial for the development of the energy saving business. The Directors consider the terms of the Supplemental Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

By Order of the Board  
**The Hong Kong Building and Loan Agency Limited**  
**Au Tin Fung**  
*Executive Director*

Hong Kong, 21 April 2011

*As at the date of this announcement, the Board comprises Mr. Au Tin Fung, Mr. So Yuen Chun and Mr. Soong Kok Meng being executive Directors and Mr. Ng Cheuk Fan, Keith, Mr. Lam Kwok Hing, Wilfred and Mr. Yeung Wai Hung, Peter being independent non-executive Directors.*